

January 22, 2014

The Honorable Lance Kinzer, Chairperson
House Committee on Judiciary
Statehouse, Room 165-W
Topeka, Kansas 66612

Dear Representative Kinzer:

SUBJECT: Fiscal Note for HB 2444 by House Committee on Judiciary

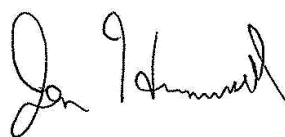
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2444 is respectfully submitted to your committee.

HB 2444 would amend the Kansas Uniform Trust Code related to spendthrift trusts. In current law, whether or not a trust contains a spendthrift provision, a creditor of a beneficiary may not compel a distribution to a beneficiary that is subject to the trustee's discretion, even if: (1) the standard for distribution is expressed in the form of a standard; or (2) the trustee has abused the discretion.

HB 2444 would create an exception to that general rule by providing that, if a beneficiary is or was serving as a sole trustee and the standard of distribution is not in the form of an ascertainable standard related to the beneficiary's health, education, support or maintenance, a creditor would have the right to compel the beneficiary to make a distribution to the beneficiary, if the beneficiary is or was authorized to make the distribution. In addition, the creditor would be permitted to attach the beneficiary's interest in the trust related to present or future discretionary distributions to the beneficiary, in the absence of a spendthrift provision that precludes such attachment.

According to the Office of Judicial Administration, passage of HB 2444 would have no fiscal effect.

Sincerely,



Jon Hummell,
Interim Director of the Budget

cc: Mary Rinehart, Judiciary